

Message Text

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TAGS: UNGA, EGEN, EAID

SUBJECT: 30TH UNGA - AGENDA ITEM 65 - MID-TERM REVIEW AND

APPRAISAL - COMMENTS ON DRAFT RESOLUTION: PART II

REFS: A) USUN 5720 B) USUN 5541 C) STATE 257685

1. THIS IS SECOND IN A SERIES OF COMMENTS ON DRAFT RESOLUTION AND IS ADDRESSED TO PART I - EVALUATION. OUR COMMENTS ARE KEYED TO THE PARAGRAPHS IN THE FIRST DRAFT RESOLUTION.

2. PARA 6, LATER COMBINED WITH 5, MAKES NO MENTION OF THE ROLE OF THE IMF IN EXPORT EARNINGS STABILIZATION OR CURRENT EFFORTS TO EXPAND THIS ROLE, IN PARTICULAR THE MAJOR INITIATIVE BY THE SECRETARY OF STATE IN THE 7TH SPECIAL SESSION TO CREATE A NEW DEVELOPMENT SECURITY FACILITY. EXECUTIVE DIRECTORS OF THE IMF ARE NOW PROGRESSING TOWARD REALIZATION

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OF THIS INITIATIVE.

3. PARA 11 MAINTAINS THAT NO INTERNATIONAL ACTION HAS BEEN TAKEN TO ELIMINATE THE ADVERSE EFFECTS ON TRADE AND DEVELOPMENT OF RESTRICTIVE BUSINESS PRACTICES. ACTUALLY, RESTRICTIVE BUSINESS PRACTICES ARE UNDER REVIEW IN A NUMBER OF FORA, PRIMARILY UNCTAD AND OECD. THE RESOLUTION DOES NOT REFLECT THE SUBSTANTIAL WORK UNDERWAY, INCLUDING THE FOLLOWING:

A. THE UNCTAD COMMITTEE ON TRANSFER OF TECHNOLOGY, IN ITS WORK ON A CODE OF CONDUCT, HAS PUT FORTH DETAILED PROPOSALS WHICH WOULD ELIMINATE OR REDUCE UNREASONABLE RESTRICTIVE BUSINESS PRACTICES IN THE PATENT AND TRADEMARK LICENSING FIELD.

B. THE UNCTAD GROUP OF EXPERTS ON RESTRICTIVE BUSINESS PRACTICES (UNDER THE COMMITTEE ON MANUFACTURES) IS ENGAGED IN OTHER AREAS OF ANTI-COMPETITIVE BEHAVIOR (E.G., CARTELS, MONOPOLIES, PRICE FIXING, REFUSAL TO DEAL). THE PROPOSED WORK INCLUDES IDENTIFICATION OF RBPS, EXCHANGE OF INFORMATION AND CONSULTATION, A MODEL LAW, AND THE POSSIBILITY OF WORKING OUT PRINCIPLES OR A CODE OF CONDUCT. (THE U.S. HAS THUS FAR OPPOSED THE LATTER POINT.)

C. THE UN AND THE OECD ARE AT WORK ON A CODE OF CONDUCT FOR MNCs WHICH INCLUDES A SECTION ON RBPS.

D. OECD'S COMMITTEE OF EXPERTS ON RESTRICTIVE BUSINESS PRACTICES HAS UNDERTAKEN STUDIES ON VARIOUS ASPECTS OF RBPS AND THESE STUDIES ARE AVAILABLE TO DEVELOPING COUNTRIES.

E. OECD HAS A CONSULTATIVE PROCEDURE AMONG ITS MEMBER STATES CONCERNING RESTRICTIVE PRACTICES WHICH ADVERSELY AFFECT INTERNATIONAL TRADE.

4. PARA 12 -- BOTH THE UN AND THE OECD HAVE BEEN CONSIDERING THE PROBLEMS OF INDUSTRIALIZATION IN DEVELOPING COUNTRIES. THE INDUSTRIAL DEVELOPMENT BOARD OF UNIDO HAS UNDERTAKEN A SERIES OF DECISIONS AND RECOMMENDATIONS AND CONFIDENTIAL

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HAS BEEN FOLLOWING UP ON MEASURES AND OBJECTIVES OF THE LIMA DECLARATION AND THE OECD AD HOC GROUP HAS FORMED A SPECIAL GROUP ON INDUSTRIALIZATION.

5. PARA 18 IMPLIES INCORRECTLY THAT THE HUGE DEBT SERVICING PROBLEMS OF A NUMBER OF LDCs ARE LARGELY DUE TO CHANGES IN OFFICIAL DEVELOPMENT ASSISTANCE. IN FACT, DEBT SERVICING DIFFICULTIES OCCUR FOR A WIDE VARIETY OF REASONS,

INCLUDING THE MUCH HIGHER PRICE FOR IMPORTED OIL WHICH
LDCS HAVE FACED SINCE LATE 1973.

6. PARA 20 -- THE USG HAS TAKEN SPECIAL MEASURES TO
ASSIST IN THE STRUCTURAL TRANSFORMATION OF DEVELOPING
COUNTRIES, BY THE MECHANISM OF JOINT COMMISSIONS WITH
DEVELOPING NATIONS TO WORK OUT PROGRAMS AIMED AT STRENGTH-
ENING AND DIVERSIFYING THE INDUSTRIAL SECTORS OF THESE
ECONOMIES. PROGRAMS INITIATED UNDER THE AUSPICES OF THE
U.S./INDIA JOINT COMMISSION OFFER AN IMPORTANT EXAMPLE OF

THESE EFFORTS. THESE PROGRAMS CENTER ON THE ESTABLISHMENT
OF AN INDUSTRIAL COOPERATION WORKING GROUP TO IDENTIFY AND
PROMOTE JOINT INDUSTRIAL VENTURES IN THIRD COUNTRIES. THIS
WORKING GROUP HAS LAUNCHED A COOPERATIVE EFFORT TO INFORM
AMERICAN FIRMS ENGAGED IN THE ERECTION OF PLANT AND EQUIP-
MENT IN THE MIDDLE EAST OF THE ENGINEERING EXPERTISE AND
CONTRACTING CAPABILITIES AVAILABLE IN INDIA, WITH THE VIEW
OF BRINGING THE INDIAN AND AMERICAN INDUSTRIAL ORGANIZA-
TIONS TOGETHER TO DISCUSS COOPERATIVE VENTURES. INGERSOLL

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